H-4910.1	

SUBSTITUTE HOUSE BILL 2785

State of Washington 54th Legislature 1996 Regular Session

By House Committee on Government Operations (originally sponsored by Representatives Reams, Chopp, Cairnes, Thompson and Elliot)

Read first time 02/02/96.

- 1 AN ACT Relating to county public works projects; amending RCW
- 2 36.32.240; adding a new section to chapter 36.32 RCW; and repealing RCW
- 3 36.32.250.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 **Sec. 1.** RCW 36.32.240 and 1993 c 198 s 5 are each amended to read 6 as follows:
- 7 In any county the county legislative authority may by resolution
- 8 establish a county purchasing department. In each county which
- 9 exercises this option, the purchasing department shall ((contract on a
- 10 competitive basis for all public works,)) enter into leases of personal
- 11 property on a competitive basis, and purchase all supplies, materials,
- 12 and equipment, on a competitive basis, for all departments of the
- 13 county, as provided in this chapter and chapter 39.04 RCW, except that
- 14 the county purchasing department is not required to make purchases for
- 15 the county hospital, or make purchases that are paid from the county
- 16 road fund or equipment rental and revolving fund.
- 17 <u>NEW SECTION.</u> **Sec. 2.** A new section is added to chapter 36.32 RCW
- 18 to read as follows:

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1 (1) As used in this section, "public works" has the same definition 2 as in RCW 39.04.010.

3 (2) Except as otherwise specified in this chapter or in chapter 4 36.77 RCW, all counties subject to these provisions shall contract on 5 a competitive basis for all public works after bids have been submitted to the county upon specifications therefor. Such specifications shall 6 7 be in writing and shall be filed with the clerk of the county 8 legislative authority for public inspection. An advertisement shall be 9 published in the county official newspaper stating the time and place 10 where bids will be opened, the time after which bids will not be received, the character of the work to be done, the materials and 11 equipment to be furnished, and that specifications therefor may be seen 12 at the office of the clerk of the county legislative authority. 13 advertisement shall also be published in a legal newspaper of general 14 15 circulation in or as near as possible to that part of the county in which such work is to be done. If the county official newspaper is a 16 17 newspaper of general circulation covering at least forty percent of the residences in that part of the county in which such public works are to 18 19 be done, then the publication of an advertisement of the applicable specifications in the county official newspaper is sufficient. 20 advertisements shall be published at least once at least thirteen days 21 prior to the last date upon which bids will be received. 22 shall be in writing, shall be filed with the clerk, shall be opened and 23 24 in public at the time and place named therefor in the 25 advertisements, and after being opened, shall be filed for public 26 inspection. No bid may be considered for public work unless it is 27 accompanied by a bid deposit in the form of a surety bond, postal money order, cash, cashier's check, or certified check in an amount equal to 28 29 five percent of the amount of the bid proposed. The contract for the 30 public work shall be awarded to the lowest responsible bidder. 31 all bids may be rejected for good cause. The county legislative authority shall require from the successful bidder for such public work 32 a contractor's bond in the amount and with the conditions imposed by 33 34 law. If the bidder to whom the contract is awarded fails to enter into the contract and furnish the contractor's bond as required within ten 35 days after notice of the award, exclusive of the day of notice, the 36 37 amount of the bid deposit shall be forfeited to the county and the contract awarded to the next lowest and best bidder. The bid deposit 38 39 of all unsuccessful bidders shall be returned after the contract is

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awarded and the required contractor's bond given by the successful 2 bidder is accepted by the county legislative authority. Immediately after the award is made, the bid quotations obtained shall be recorded 3 4 and open to public inspection and shall be available by telephone inquiry.

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(3) As limited by subsection (4) of this section, a county subject to these provisions may have public works performed by county employees in any annual or biennial budget period equal to a dollar value not exceeding ten percent of the public works construction budget, including any amount in a supplemental public works construction budget, over the budget period.

If a county subject to these provisions has public works performed by public employees in any budget period that are in excess of this ten percent limitation, the amount in excess of the permitted amount shall be reduced from the otherwise permitted amount of public works that may be performed by public employees for that county in its next budget Twenty percent of the motor vehicle fuel tax distributions to that county shall be withheld if two years after the year in which the excess amount of work occurred, the county has failed to so reduce the amount of public works that it has performed by public employees. The amount withheld shall be distributed to the county when it has demonstrated in its reports to the state auditor that the amount of public works it has performed by public employees has been reduced as required.

Whenever a county subject to these provisions has had public works performed in any budget period up to the maximum permitted amount for that budget period, all remaining public works within that budget period shall be done by contract pursuant to public notice and call for competitive bids as specified in subsection (2) of this section.

The state auditor shall report to the state treasurer any county subject to these provisions that exceeds this amount and the extent to which the county has or has not reduced the amount of public works it has performed by public employees in subsequent years.

(4) In addition to the percentage limitation provided in subsection (3) of this section, counties subject to these provisions containing a population of two hundred ten thousand or more shall not have public employees perform a public works project in excess of fifty thousand dollars if more than a single craft or trade is involved with the public works project, or a public works project in excess of twenty-

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five thousand dollars if only a single craft or trade is involved with 1 the public works project or the public works project is street 2 signalization or street lighting. In addition to the percentage 3 4 limitation provided in subsection (3) of this section, counties subject to these provisions containing a population of one hundred twenty-five 5 thousand or more and less than two hundred ten thousand shall not have 6 7 public employees perform a public works project in excess of thirty-8 five thousand dollars if more than one craft or trade is involved with 9 the public works project, or a public works project in excess of 10 twenty-five thousand dollars if only a single craft or trade is involved with the public works project or the public works project is 11 street signalization or street lighting. In addition to the percentage 12 limitation provided in subsection (3) of this section, counties subject 13 to these provisions containing a population of less than one hundred 14 15 twenty-five thousand shall not have public employees perform a public 16 works project in excess of thirty thousand dollars if more than one 17 craft or trade is involved with the public works project, or a public works project in excess of twenty thousand dollars if only a single 18 19 craft or trade is involved with the public works project or the public 20 works project is street signalization or street lighting. A public works project means a complete project. The restrictions in this 21 subsection do not permit the division of the project into units of work 22 or classes of work to avoid the restriction on work that may be 23 performed by public employees on a single project. 24

(5) In addition to the accounting and recordkeeping requirements contained in RCW 39.04.070, every county subject to these provisions annually shall prepare a report for the state auditor indicating the total public works construction budget and supplemental public works construction budget for that year, the total construction costs of public works performed by public employees for that year, and the amount of public works that is performed by public employees above or below ten percent of the total construction budget. However, if a county budgets on a biennial basis, this annual report shall indicate the amount of public works that is performed by public employees within the current biennial period that is above or below ten percent of the total biennial construction budget.

Each county subject to these provisions shall use the form required by RCW 43.09.205 to account and record costs of public works in excess of five thousand dollars that are not let by contract.

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- 1 (6) The cost of a separate public works project shall be the costs 2 of materials, supplies, equipment, and labor on the construction of 3 that project. The value of the public works budget shall be the value 4 of all the separate public works projects within the budget.
- 5 (7) When any emergency requires the immediate execution of a public work, upon the finding of the existence of such emergency by the 6 authority having power to direct such public work to be done and duly 7 entered of record, publication of description and estimate may be made 8 within seven days after the commencement of the work. Within two weeks 9 10 of the finding that such an emergency existed, the county legislative authority shall adopt a resolution certifying the existence of this 11 12 emergency situation.
- (8) In lieu of the procedures of subsections (2), (3), (4), and (6) of this section, a county may use a small works roster process and award contracts for public works projects with an estimated value of one hundred thousand dollars or less as provided in RCW 39.04.155.
- 17 Whenever possible, the county shall invite at least one proposal 18 from a minority or woman contractor who shall otherwise qualify under 19 this section.
- 20 (9) The allocation of public works projects to be performed by 21 county employees shall not be subject to a collective bargaining 22 agreement.
- (10) This section does not apply to performance-based contracts, as defined in RCW 39.35A.020(3), that are negotiated under chapter 39.35A RCW.
- (11) Nothing in this section prohibits any county from allowing for preferential purchase of products made from recycled materials or products that may be recycled or reused.
- 29 (12) The provisions of this section apply to every county with a 30 population of one million or more. In addition, any other county may 31 choose to be subject to any one or more of the provisions of this 32 section.
- 33 <u>NEW SECTION.</u> **Sec. 3.** RCW 36.32.250 and 1993 c 198 s 8 & 1991 c 34 363 s 58 are each repealed.

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